

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription

9-15-92

On Sept. 15, 1992, SA [redacted] contacted [redacted] [redacted] a syndicated columnist for numerous publications, including the [redacted] was contacted at his office in Washington, D.C., at telephone number [redacted]. It was explained to [redacted] that SA [redacted] wished to interview [redacted] in regards an editorial titled, "Suspicious Death Hangs Over Inslaw Case". In this editorial [redacted] wrote of the death of DANIEL CASOLARO, an investigative reporter involved in the INSLAW case, and made mention that CASOLARO had stumbled across evidence that he (CASOLARO) believed linked the INSLAW dispute to deeper intrigues, including the Iran-Contra scandal, the BCCI affair, and the pre-Persian Gulf War arming of Iraq.

SA [redacted] explained to [redacted] that he wished to interview [redacted] in regards to whatever sources [redacted] used [redacted] in an attempt to gain information on CASOLARO's death and/or the evidence linking INSLAW to BCCI.

[redacted] advised that he could save time by eliminating a face to face meeting and telling SA [redacted] over the phone where he obtained his information. [redacted] advised that he received no information from any particular person, but received all the information from the Sept. 12, 1992 Full House Judiciary Subcommittee Investigative Report on "The Inslaw Affair".

[redacted] advised that no information in the article had been obtained from any other source.

As [redacted] could provide no further information re this matter this interview was terminated.

b6  
b7Cb6  
b7C

Set D-223

Investigation on 9-15-92 at WDC File # 29B-WF-171994  
 by SA [redacted] UMS Date dictated 9-16-92

b6  
b7C

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription

9/15/92

On Sept. 15, 1992, Special Agents [REDACTED] and [REDACTED] contacted [REDACTED], and advised both of [REDACTED] the identities of the interviewing agents.

[REDACTED]

b6  
b7C

At the onset of the interview [REDACTED] were advised by the interviewing agents that the purpose of the interview was to determine if there was any connection between INSLAW and the BCCI, or if [REDACTED] had any knowledge of a connection between BCCI and the death of DANIEL CASOLARO, an investigative reporter who was investigating [REDACTED] allegations against DOJ.

b6  
b7C

[REDACTED] acknowledged this and proceeded to give a detailed background of INSLAW, [REDACTED] and DANIEL CASOLARO's investigation up to his death. This lasted 1 hour and 45 minutes. At no time did [REDACTED] mention BCCI or make any connection between DANIEL CASOLARO's death and BCCI.

When specifically questioned about any connection between INSLAW, BCCI, and CASOLARO's death, [REDACTED] advised that [REDACTED] told them that CASOLARO had advised her that the First American Bank, McLean, Virginia, may have filtered PROMIS money through it. [REDACTED] also advised that CASOLARO told [REDACTED] he had uncovered documents which tied BCCI, IRAN-CONTRA, the "October Surprise", and INSLAW together. However, before CASOLARO could expound his theory any further he died which made [REDACTED] suspicious of his death. [REDACTED] had no knowledge as to where CASOLARO may have stored his research and/or documents and had no knowledge of where or from whom CASOLARO received his information.

b6  
b7C

Sub D - 274

Investigation on 9-15-92 at WDC

File # 29B-WF-171994

SA [REDACTED]  
by SA [REDACTED]

NMS

Date dictated

9-16-92

b6  
b7C

29B-WF-171994

Continuation of FD-302 of

[redacted]

, On 9-15-92

, Page 2

b6  
b7C

[redacted] could provide no further information in  
regards this matter and the interview was terminated.

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription

9/21/92

[redacted] was advised of the identity of the interviewing agent. She was also advised of the purpose of the interview which was to determine if she knew that there was any connection between INSLAW (a computer software company suing the Department of Justice), investigative reporter DANIEL CASOLARO's death and BCCI. She provided the following information:

b6  
b7C

[redacted] had known CASOLARO since approximately [redacted]. [redacted] CASOLARO had advised [redacted] that he believed INSLAW's computer software, PROMIS, was being used by BCCI to keep track of secret accounts. CASOLARO had also advised [redacted] that he believed BNL, a foreign bank based in Atlanta, and BCCI were connected, however, due to their competitive news relationship he never disclosed how or where he obtained information to substantiate these allegations. [redacted] advised that CASOLARO never used a computer and that he carried all of his documents with him in stacks of folders therefore she could not provide any additional information as to where proof to these allegations could be stored.

[redacted] provided a copy of CASOLARO's outline of THE OCTOPUS, which was to be a catch-all book to tie in all the political scandal's of the 1980's. The copy has been placed in a 1A envelope and a copy has been attached to this FD-302. [redacted] advised that she will obtain CASOLARO's manuscript notes from an investigative reporter at [redacted] and provide a copy of these notes to the FBI. These notes were also referred to by [redacted]

b6  
b7C

[redacted] advised that she believed that CASOLARO probably did commit suicide, however, the autopsy report showed peculiar markings on his body which she felt were attributable to foul play. [redacted] has no facts on which to base her suspicions. She also provided information on a possible source of CASOLARO's, [redacted] and advised that a [redacted] reporter had identified her. [redacted] will provide the FBI with a copy of the

*Sub J-225*Investigation on 9/21/92 at Washington, D.C. File # 29B-WF-171994by SA [redacted] Date dictated 9/21/92 b6  
b7C

29B-WF-171994

Continuation of FD-302 of

[redacted], On 9/21/92, Page 2

article, [redacted] further provided a contact number for [redacted]  
[redacted]

[redacted] could provide no further information on this matter and the interview was terminated.

b6  
b7c

THE OCTOPUS

by Daniel Casolaro

This is the story of eight men whose real life "impossible mission" intrigues have dominated key events that span the globe for nearly a half-century. They are the men who make up THE OCTOPUS.

They are not government officials but their tentacles can reach into any part of government in almost any country including legitimate and rogue spy networks. They are not notable industrialists but they can pull the strings of the oil and banking empires at will. They are not known criminals but they have successfully penetrated all factions of organized crime including the Mafia, the Japanese Yakuza, the secret Chinese societies and the terrorist underground.

With its tagteam compartments, its exploitation of hundreds of people and its formidable stealth, THE OCTOPUS will help to unravel the most compelling puzzles of the twentieth century.

What may have begun for these few learned men as a utopian response to harsh post-war realities quickly gave way to what simple men have always known to be the real enemy which is selfishness and its allied forces of fear, greed and power.

While a few of these eight men came together to insure the failure of an initiative into Albania in the fifties, almost every one of them helped to frustrate the Cuban Bay of Pigs invasion. What did they do in Albania and with whom? What did the fiasco at the Bay of Pigs accomplish?

President Nixon and his key advisors Attorney General John Mitchell and Henry Kissinger were becoming impossible as far as the octopus was concerned. They were bypassing normal circles of intelligence with Vietnamization and the China card. While this operation eventually reaped a windfall, a principal arm of the octopus was seriously at risk. How did all the pieces come together for the snowballing of Watergate?

A different, marginally more officious costume was worn in Chile with Salvador Allende. But there were separate factions at war competing with the octopus similar to the efforts in the Congo (Zaire) with Patrice Lumumba. Since the Chilean operation provided accumulated debt for favors performed, the octopus was now mature enough to know how to collect those debts. What were the favors performed? And what was the due bill?

It didn't take many people to design the apparatus that would insure the renewal of the lease for the Pine Gap installation near Alice Springs, Australia. After all, how could a democracy spit up a Prime Minister that could sack the security of the Western Alliance? What about the tentacle operations of the octopus in Angola, Rhodesia (Zimbabwe), Mozambique and Nigeria? Was this another case of wearing the right costume again, as in Chile? Politically correct assistance can cover the cover of the octopus for anything — drug trafficking, arms dealing and murder. But what happened to the money — nearly a billion dollars?

Who drove the Shah of Iran out of power? Since the great arm of the octopus was at risk again, how was this achieved? Can best friends do this to each other? And why?

Who lit the fires for the war between Iran and Iraq? What role did the octopus play? What was its purpose in the big picture? Is any picture that big?

Jimmy Carter had bruised the octopus as badly as Nixon did with more directed focus. Why did the octopus come off the ocean floor to make sure that the hostages were not rescued? What happened to those Sea Stallion helicopters, the most dependable helicopter in aviation history? Why is it that some "legitimate" factions helped? Everyone knows that hostages equals money but why is it that no one has asked what happened to the billions of dollars in frozen assets? Since Reagan was not a favored son of the octopus, why did almost all the arms struggle to insure the election of 1980? Even if the participation by campaign officials in holding the hostages until the Reagan election was limited to just the acquiescence of smiling gentlemen who knew better, why was the veil removed when it could have been so absolutely secret?

Exploiting foreign policy objectives with the Contras in Nicaragua is one thing but why was the creation of a Latin American equivalent to the Golden Triangle so irresistible?

A huge amount of money — several billion dollars — was raised for the Afghan freedom fighters. The octopus wasn't doing this and the freedom fighters only received a fraction of the money. Who else started to play the game and how did the octopus stop it?

Was it just a clever hand that was played with Kuwait and Iraq? What about Kuwait's OPEC decisions which goaded Saddam Hussein into his takeover? What role did the octopus play? Why was the Bank of Credit and Commerce

International (BCCI) suddenly a sacrificial lamb?

Before the reins of the octopus are turned over to several slightly younger players, the most dangerous game continues now — July, 1991 — on the tiny Caribbean island nation of Dominica. Possessing the largest boiling deep-water lake in the world, Dominica's geothermal potentiality is unmatched. It is here — now — that the octopus may be making its boldest move yet.

#####

On the Trail of the Money Catcher...

### THE OCTOPUS

#### Cast of characters

Richard Helms - former Director of Central Intelligence & now head of SAFEER

Howard Hunt - former CIA agent and one of Watergate co-conspirators

George Fender - former CIA agent

John Nichols - former CIA agent and currently managing gambling casino on Reservation

Ted Shackley - former CIA agent & now head of RESEARCH ASSOCIATES INTERNATIONAL

Tom Clines - former CIA agent & currently appealing sentence for tax fraud

Ray Cline - former CIA official

Harry Gillam - known also as "Double Deuce" and recently deceased

Eric Sercowles - internationally known British intelligence official

Kim Philby - British spy who worked for the Soviets and recently deceased

John Walker - head of the Walker spy ring and currently in jail

Edward Lee Howard - former CIA agent who worked for the Soviets & escaped to Moscow

Ronald Pelton - NSA employee who worked for the Soviets and currently in jail

Pat Moriarty - ex parte member of Reagan's California kitchen cabinet

Marshall Riconosciuto - partner of Pat Moriarty in largest fireworks company in U.S.

Michael Riconosciuto - self proclaimed scientist without portfolio & currently in jail

Paul Morasca - Michael Riconosciuto's partner & deceased since January 1982 --- murderer

Fred Alvarez - Cabazon Indian & deceased since June 1981 --- murderer

Mary Quick - friend of Paul Morasca & deceased since 1982 --- murderer

Earl Brian - called the "genius doctor" in the Reagan California govt. Businessman

Bill Hamilton - president of Inslaw, company that developed tracking software PROMIS

Red McDaniel - former POW and head of American Defense Institute

Danny Sheehan - head of Christic Institute

Senator Robert Byrd --- Senator from West Virginia

Harry Rupp - former CIA pilot & recently released from prison

Richard Brenneke - former CIA contract agent & recently acquitted for perjury

Donald Gregg - former CIA agent and currently Ambassador in South Korea

Prescott Bush - President George Bush's older brother

Prince Bandar - Saudi Arabian Ambassador to the U.S.

Ari Ben Menashi - former Mossad representative in Latin America

John Delarocque - close confidante of Ben Menashi and currently in St. Tropez

Gerald Bull - rocket scientist & developer of the super gun — murdered in 1990.

Barry Seal - major cocaine trafficker & pilot — murdered in 1986.

Drew Thornton - major Kentucky drug trafficker & deceased since 1985

Bernie Cornfield - head of International Investors Services (IIS)

Robert Vesco - American fugitive for IIS scam & illegal donation to Nixon campaign

Edwin Wilson - CIA agent jailed for illegal profiteering

Roy Furmark - New York lawyer and associate with Adnan Khassoggi & William Casey

Adnan Khassoggi - Saudi businessman

Isham Barbuti - Iraqi arms dealer

Manuchehr Gorbanifar - Iranian arms dealer

Kamal Taki - former Beirut judge & Mideast intelligence operative

Cyril Fairhurst - British intelligence specialist associated with rogue networks

Robert Chasen - former Commissioner of Customs & Wackenhet Director

Robert Frye - Wackenhet executive

Chinese Triad leaders - Hong Kong, Bangkok, Australia & Vancouver

Japanese Yakuza leaders - Hong Kong & Tokyo

Associated organized crime leaders in U.S. - Gotti et al

Khun Sa - Chinese national and opium warlord

Bernie Houghton - American living in Australia & owner of Bourbon & Beefsteak Pub

Michael Hand - former partner of Nugan Hand bank in Australia

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription

9-29-92

On Sept. 29, 1992, SAs [redacted] and [redacted] contacted [redacted] [redacted] telephone number [redacted] and advised her of the identity of the interviewing agents and the purpose of the interview [redacted] was advised that the purpose was to determine whether or not DANIEL CASOLARO, an investigative reporter and [redacted] had explained to [redacted] his theory of a connection between the INSLAW affair and the BCCI scandal. In addition [redacted] was questioned as to whether or not [redacted] knew of any connection between BCCI and CASOLARO's death.

[redacted] advised the following:

[redacted] stated that CASOLARO had started an investigation into the INSLAW affair in early 1990. Not until July or August of 1991 did CASOLARO begin looking into the BCCI scandal. At this time [redacted] does not believe CASOLARO had found any connection between INSLAW and BCCI. [redacted] believes CASOLARO started to look into BCCI because [redacted]

which is involved in the BCCI scandal [redacted] was told by CASOLARO that INSLAW and BCCI were connected through the OCTOBER SURPRISE affair, but was never given any details on this connection.

[redacted] states that CASOLARO kept telling [redacted] he was getting closer and closer to unraveling the mystery that included the INSLAW/BCCI connection. CASOLARO had a theory that a group of powerful men in Washington, D.C. were responsible not only for the INSLAW affair and the BCCI scandal, but also for the IRAN-CONTRA affair, the OCTOBER SURPRISE, and the failure of the Savings and Loans. CASOLARO called this group of men and his theory, "OCTOPUS". CASOLARO made claims that he had obtained numerous secret documents that supported his theory, but never revealed where these documents came from. [redacted] stated that she did not believe in this theory and never read the supporting documents. [redacted] does not know where these documents could now be located.

b6  
b7Cb6  
b7Cb6  
b7C

Investigation on 9-29-92 at Burke, Va. File # 29B-WF-171994

SA [redacted]  
by SA [redacted]

VMS

Date dictated

9-30-92

b6  
b7C

29B-WF-171994

Continuation of FD-302 of [redacted]

, On 9-29-92 , Page 2

b6  
b7C

[redacted] does not believe that CASOLARO committed suicide. [redacted] stated that CASOLARO would not have killed himself because of financial problems, as reported by the media, as CASOLARO could have borrowed whatever money needed from his family. However [redacted] does not have any information that would assist in identifying a possible suspect in CASOLARO's death.

[redacted] did give SAs [redacted] and [redacted] several documents [redacted] that had belonged to CASOLARO at the time of his death. A receipt for these documents was given to [redacted] and has been placed in a 1A envelope and routed to this file. A review of these documents resulted in no positive information. Copies of these documents were made and placed in a 1A envelope and also routed to this file. The originals were then returned to [redacted]

[redacted] could provide no further information and this interview was terminated.

-1-

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription

9/30/92

[redacted] office: [redacted] home: [redacted]  
 [redacted] a reporter for [redacted] New York City, New York, was contacted and advised of the identity of the interviewing agent. He was also advised of the purpose of the interview which was to determine if he had any knowledge of any connection between DANIEL CASOLARO's death and BCCI and/or INSLAW. He then provided the following information:

While [redacted] is currently writing an article on CASOLARO's death, he has uncovered no information that would lead [redacted] to connect CASOLARO's death with BCCI/INSLAW. [redacted] also advised that he has no information to substantiate CASOLARO's claim that there was a connection between BCCI and INSLAW.

When it was determined that [redacted] could provide no further information in connection with the BCCI investigation, the interview was terminated.

b6  
b7C

Sub D -230

Investigation on 9/30/92 at Washington, D.C. File # 29B-WF-171994by SA [redacted] Date dictated 9/30/92 b6  
b7C